Crayon Consulting A/S

Tobaksvejen 2A, 3.
2860 Søborg
Denmark

CVR no. 29 83 26 84

Annual report 2018

The annual report was presented and approved at the Company's annual general meeting on

16 May 2019

Heidi Rosborg Bertelsen
chairman

Contents

Statement by the Board of Directors and the Executive Board

The Board of Directors and the Executive Board have today discussed and approved the annual report of Crayon Consulting A/S for the financial year 1 January – 31 December 2018.

The annual report has been prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 31 December 2018 and of the results of the Company's operations for the financial year 1 January – 31 December 2018.

Further, in our opinion, the Management's review gives a fair review of the matters discussed in the Management's review.

We recommend that the annual report be approved at the annual general meeting.

Gladsaxe, 16 May 2019
Executive Board:

Stig Orloff

Stig Orloff

Board of Directors:

Torgrim Takle

Torgrim Takle
Chairman

Rune Syversen

Betina Rehné

Bjarne Riis

Independent auditor's report

To the shareholder of Crayon Consulting A/S

Opinion

We have audited the financial statements of Crayon Consulting A/S for the financial year 1 January – 31 December 2018 comprising income statement, balance sheet, statement of changes in equity and notes, including accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 31 December 2018 and of the results of the Company's operations for the financial year 1 January – 31 December 2018 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these rules and requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's responsibility for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act and for such internal control that Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance as to whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements in Denmark will always detect a material misstatement when it exists. Misstatements may arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users made on the basis of these financial statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also

— identify and assess the risks of material misstatement of the company financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.

Independent auditor's report

- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Statement on the Management's review

Management is responsible for the Management's review.

Our opinion on the financial statements does not cover the Management's review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the Management's review and, in doing so, consider whether the Management's review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the Management's review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the Management's review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of the Management's review.

Aarhus, 16 May 2019
KPMG
Statsautoriseret Revisionspartnerselskab
CVR no. 25 57 81 98

Michael Stenskrog
Michael Stenskrog
State Authorised
Public Accountant
mne26819

Management's review

Company details

Crayon Consulting A/S
Tobaksvejen 2A, 3.
2860 Søborg
Denmark

CVR no.:	29 83 26 84
Established:	27 December 2006
Registered office:	Gladsaxe
Financial year:	1 January – 31 December

Board of Directors

Torgrim Takle, Chairman
Rune Syversen
Betina Rehné
Bjarne Riis

Executive Board

Stig Orloff

Auditor

KPMG
Statsautoriseret Revisionspartnerselskab
Bredskifte Allé 13
DK-8210 Aarhus V
Denmark

Management's review

Operating review

Principal activities

The Company's principal activities are sale of software and training courses as well as consultancy services, including advisory services in relation to purchase of licences.

Development in activities and financial position

Loss for the year

The Company's income statement for 2018 shows a loss of DKK 1,986 thousand as against DKK 1,970 thousand in 2017. Equity in the Company's balance sheet at 31 December 2018 stood at a negative DKK 2,620 as against a negative DKK 634 at 31 December 2017.

2018 was characterised by a restructuring of the Group's activities, including the closing down of activities in Crayon Consulting A/S.

The development in activities and realized loss for the year are within the range of Management's expectations.

Capital resources

Crayon Consulting A/S has lost more than 50% of its contributed capital as of 31 December 2018 and is thereby covered by the Danish Rules on Capital Loss. Action plans are therefore prepared in 2019 to ensure the re-establishment of the Company's capital base.

Crayon Group AS has issued an unconditional letter of support and guarantees to provide the necessary liquidity to ensure the Company's continued operations. On this basis, the financial statements are presented on a going concern basis.

Events after the balance sheet date

No events have occurred from the balance sheet date and to this date that will change the assessment of the financial statements.

Financial statements 1 January – 31 December

Income statement

DKK'000	Note	2018	2017
Gross profit		2,161	9,043
Staff costs	2	-3,422	-9,962
Depreciation, amortisation and impairment		-36	-2,026
Operating profit/loss		-1,297	-2,945
Financial income		1	4
Financial expenses	3	-85	-15
Profit/loss before tax		-1,381	-2,956
Tax on loss for the year		-605	986
Profit/loss for the year		-1,986	-1,970

Proposed distribution of loss

Retained earnings		-1,986	-1,970

Financial statements 1 January – 31 December

Balance sheet

DKK'000	Note	2018	2017
ASSETS			
Fixed assets			
Intangible assets			
Software		0	16
Property, plant and equipment			
Fixtures and fittings, tools and equipment		0	61
Total fixed assets		0	77
Current assets			
Receivables			
Trade receivables		122	2,091
Receivables from group entities		0	1,074
Other receivables		7	3
Deferred tax asset		322	1,339
Corporation tax		412	307
Prepayments		0	13
		863	4,827
Cash at bank and in hand		291	420
Total current assets		1,154	5,247
TOTAL ASSETS		1,154	5,324

Financial statements 1 January – 31 December

Balance sheet

DKK'000	Note	2018	2017
EQUITY AND LIABILITIES			
Equity			
Contributed capital		1,667	1,667
Retained earnings		-4,287	-2,301
Total equity		-2,620	-634
Liabilities			
Non-current liabilities			
Payables to group entities		2,570	0
Current liabilities			
Trade payables		10	278
Payables to group entities		1,187	0
Other payables		7	2,588
Deferred income		0	3,092
		1,204	5,958
Total liabilities		3,774	5,958
TOTAL EQUITY AND LIABILITIES		1,154	5,324

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Financial statements 1 January – 31 December

Statement of changes in equity

DKK'000	Contributed capital	Retained earnings	Total
Equity at 1 January 2018	1,667	-2,301	-634
Transferred over the distribution of loss	0	-1,986	-1,986
Equity at 31 December 2018	1,667	-4,287	-2,620

Financial statements 1 January – 31 December

Notes

1 Accounting policies

The annual report of Crayon Consulting A/S for 2018 has been prepared in accordance with the provisions applying to reporting class B entites under the Danish Financial Statements Act with opt-in of specific provisions for reporting class C.

The accounting policies used in the preparation of the financial statements are consistent with those of last year.

Income statement

Foreign currency translation

Transactions in foreign currencies are translated at the rate of exchange on the transaction date. Exchange differences arising between the rate on the transaction date and the rate on the payment date are recognised in the income statement as a financial income or expense.

If the foreign exchange position is considered to hedge future cash flows, the unrealised exchange adjustments are recognised directly in the equity.

Receivables, payables and other monetary items in foreign currencies that are not settled on the balance sheet date are translated at the exchange rate on the balance sheet date. The difference between the exchange rate on the balance sheet date and the exchange rate at the time of occurrence of the receivables or payables is recognised in the income statement as financial income or expenses.

Fixed assets acquired in foreign currencies are translated at the rate of exchange on the transaction date.

Gross Profit

Pursuant to Section 32 of the Danish Financial Statements Act, the Company has decided only to disclose gross profit.

Revenue

Net revenue is recognised in the Income Statement if supply and risk transfer to purchaser has taken place before the end of the year and if the income can be measured reliably and is expected to be received. Net revenue is recognised exclusive of VAT, duties and less discounts related to the sale.

Cost of sales

Cost of sales comprises costs incurred to generate revenue for the year.

Other external costs

Other external costs comprise distribution costs and costs related to sales, sales campaigns, administration, office premises, etc.

Financial statements 1 January – 31 December

Notes

1 Accounting policies (continued)

Staff costs

Staff costs comprise wages and salaries, including holiday pay and pensions and other costs for social security etc. for the company's employees. Repayments from public authorities are deducted from staff costs.

Financial income and expenses

Financial income and expenses include interest income and expenses, realised and unrealised gains, debt and transactions in foreign currencies, as well as charges and allowances under the tax-on-account scheme etc. Financial income and expenses are recognised in the income statement by the amounts that relate to the financial year.

Tax on loss for the year

The tax for the year, which consists of the current tax for the year and changes in deferred tax, is recognised in the income statement by the portion that may be attributed to the loss for the year, and is recognised directly in the equity by the portion that may be attributed to entries directly to the equity.

Balance sheet

Intangible assets

Software is measured at the lower of cost less accumulated amortisation or the recoverable amount. Software is amortised on a straight-line basis over the expected useful life, which is estimated to 3 years.

Property, plant and equipment

Fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

Depreciation is provided on a straight-line basis over the estimated useful life. The estimated useful lives are as follows:

Fixtures and fittings, tools and equipment	3 years

Depreciation is recognised in the income statement as depreciation, amortisation and impairment.

Gains and losses on the disposal of property, plant and equipment are stated as the difference between the selling price less selling costs and the carrying amount at the date of disposal. Gains and losses are recognised in the income statement as other operating income or other operating costs, respectively.

Impairment of fixed assets

The carrying amount of intangible assets and property, plant and equipment is subject to an annual test for indications of impairment other than the decrease in value reflected by depreciation or amortisation.

Financial statements 1 January – 31 December

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1 Accounting policies (continued)

Impairment tests are conducted of individual assets or groups of assets when there is an indication that they may be impaired. Write-down is made to the recoverable amount if this is lower than the carrying amount.

The recoverable amount is the higher of an asset's net selling price and its value in use. The value in use is determined as the present value of the forecast net cash flows from the use of the asset or the group of assets, including forecast net cash flows from the disposal of the asset or the group of assets after the end of the useful life.

Receivables

Receivables are measured at amortised cost.

Write-down is made for bad debt losses where there is an objective indication that a receivable has been impaired. If there is an objective indication that an individual receivable has been impaired, write-down is made on an individual basis.

Prepayments

Prepayments comprise prepayment of costs incurred relating to subsequent financial years.

Corporation tax and deferred tax

Current tax payable and receivable is recognised in the balance sheet as tax computed on the taxable income for the year, adjusted for tax on the taxable income of prior years and for tax paid on account.

The Company is subject to joint taxation with Danish group companies. The current corporation tax is distributed among the joint taxable companies in proportion to their taxable income and with full allocation and refund related to tax losses. The joint taxable companies are included in the on account tax scheme. Joint taxation contributions receivable and payable are recognised in the Balance Sheet under current assets and liabilities, respectively.

Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax value of assets and liabilities based on the planned use of the asset or settlement of the liability. However, deferred tax is not recognised on temporary differences relating to goodwill non-deductible for tax purposes and on office premises and other items where the temporary differences arise at the date of acquisition without affecting either profit/loss or taxable income.

Deferred tax assets, including the tax value of tax loss carryforwards, are recognised at the expected value of their utilisation within the foreseeable future; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity. Any deferred net assets are measured at net realisable value.

Deferred tax is measured in accordance with the tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. Changes in deferred tax as a result of changes in tax rates are recognised in the income statement or equity, respectively.

Financial statements 1 January – 31 December

Notes

1 Accounting policies (continued)

Liabilities

Financial liabilities are recognised at cost at the date of borrowing, corresponding to the proceeds received less transaction costs paid. In subsequent periods, the financial liabilities are measured at amortised cost using the effective interest method. Accordingly, the difference between cost and the nominal value is recognised in the income statement over the term of the loan together with interest expenses.

Other liabilities are measured at net realisable value.

Deferred income

Deferred income comprises advance invoicing regarding income in subsequent years.

DKK'000	2018	2017
2 Staff costs		
Wages and salaries	2,979	8,998
Pensions	295	771
Other social security costs	40	40
Other staff costs	108	153
	3,422	9,962
Average number of full-time employees	4	11
3 Financial expenses		
Interest expense to group entities	70	0
Other financial costs	15	15
	85	15

4 Disclosure of material uncertainties regarding going concern

Crayon Consulting A/S has lost more than 50% of its contributed capital as of 31 December 2018 and is covered by the Danish Rules onr Capital Loss. Action plans are therefore prepared in 2019 to ensure restoration of the company's capital base.

Crayon Group AS has issued an unconditional letter of support and guarantees to provide the necessary liquidity to ensure the Company's continued operations. On this basis, the financial statements are presented on a going concern basis.

Financial statements 1 January – 31 December

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5 Contractual obligations, contingencies, etc.

Joint liabilities

The Company is jointly taxed with the other Danish companies in the Crayon Group. As a wholly-owned subsidiary, together with the other companies included in the joint taxation, the Company has joint and several unlimited liability for Danish corporation taxes and withholding taxes on dividends. Any subsequent correction of the taxable jointly taxed income or withholding taxes could result in an adjustment of the Company's liability.

6 Related party disclosures

Crayon Consulting A/S' related parties comprise the following:

Control

Crayon Group AS holds the majority of the contributed capital in the Company.

Crayon A/S is part of the consolidated financial statements of Crayon Group Holding AS, Sandakervejen 114A, 0484 Oslo, Norway, which is the smallest and largest group, respectively, in which the Company is included as a subsidiary.

The consolidated financial statements of Crayon Group Holding AS can be obtained by contacting the companies at the above address or on the Company's website www.crayon.com.